

Message Text

CONFIDENTIAL

PAGE 01 PORT L 00143 211216Z
ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 CIAE-00 COME-00 EB-08 INR-07
LAB-04 NSAE-00 SIL-01 /041 W
-----211218 122413 /21

R 171310Z FEB 77
FM AMEMBASSY PORT LOUIS
TO SECSTATE WASHDC 6466
INFO CINCUSNAVEUR
COMIDEASTFOR
AMEMBASSY DAR ES SALAAM
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY TANANARIVE
AMEMBASSY VICTORIA

C O N F I D E N T I A L PORT LOUIS 0143

E.O. 11652: GDS
TAGS: PFOR PINT ECON MP
SUBJECT: MAURITIUS WEEKLY REVIEW - FEBRUARY 17

REF: PORT LOUIS 0118

SUMMARY. PORT LOUIS 0141 PROVIDES A SUMMARY OF THIS CABLE.
END SUMMARY.

1. IN AN INTERVIEW PUBLISHED BY THE NEWSPAPER WEEK-END
FEBRUARY 13, AGRICULTURE MINISTER SIR SATCAM BOOLELL ISSUED
A WARNING ABOUT THE DETERIORATING ECONOMIC SITUATION EVEN
MORE PESSIMISTIC THAN THE ONE HE OFFERED ON HIS RETURN FROM
BARBADOS (SEE PORT LOUIS 93). BOOLELL WARNED MAURITIANS
THAT THE SITUATION IS DRAMATICALLY DANGEROUS, THOUGH NOT
DESPERATE, BUT WILL BECOME CATASTROPHIC WITHIN SIX MONTHS
IF SOMETHING IS NOT DONE. HE CITED THE OVERPRODUCTION OF
SUGAR WORLD-WIDE OF NEARLY 7 MILLION TONS LAST YEAR, AS WELL
AS THE EMERGENCE OF CORN SYRUP FOR INDUSTRIAL USE WHICH IS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PORT L 00143 211216Z

ALREADY REPLACING ONE MILLION TONS OF SUGAR IN THE U.S.

2. REGARDING THE DOMESTIC SITUATION BOOLELL POINTED TO THE
BUDGETARY STRAIN OF 15,000 DEVELOPMENT WORKERS FOR WHOM NO
WORK EXISTS BUT WHOSE WITHDRAWAL FROM CANE CUTTING CAUSES
SEVERE ECONOMIC STRAINS ON THE PLANTERS, PARTICULARLY THE
SMALL ONES. HE ALSO CITED THE SEVERE REPERCUSSIONS OF THE

PORT CONGESTION, WHICH HE SPECIFICALLY BLAMED ON THE MAURITIAN MILITANT MOVEMENT (MMM). AFTER SOUNDING THE ALARM BOOLELL MORE THAN HINTED THAT HIS ADVICE IS NOT BEING TAKEN BY HIS COLLEAGUES IN THE GOVERNMENT, AND HE STATED FLATLY THAT IF THE DAY COMES WHEN HE FINDS HIMSELF NO LONGER USEFUL HE WILL "TAKE A DECISION." THE FOLLOWING DAY BOOLELL FLEW TO EUROPE FOR IMPORTANT TALKS WITH THE EEC ON BEHALF OF ACP SUGAR PRODUCING COUNTRIES.

3. MMM LEADER BERENGER HELD A PRESS CONFERENCE FEBRUARY 11 IN HIS CAPACITY AS NEGOTIATOR FOR THE DOCK WORKERS, TO DISCUSS THE SERIOUS SITUATION IN THE PORT. HE EXONERATED THE WORKERS FROM ALL BLAME, AS HE CALLED FOR THE COMPLETION OF THE BULK LOADING FACILITY FOR SUGAR, A PERMANENT HIRING SCHEME FOR THE DOCKERS, AND MORE POWER FOR THE MARINE AUTHORITY (AS AGAINST THE EMPLOYERS) AS STEPS THAT WOULD HELP AMELIORATE THE SITUATION. HE PREDICTED THAT THE WORKERS WOULD RESPOND FAVORABLY TO THE APPEAL THAT THEY WORK MORE OVERTIME. BERENGER ALSO DENOUNCED THE PRICE RISE FOR BUS TICKETS, SAYING THAT THE COMPANIES HAD MADE EXCESSIVE PROFITS AND HAD FAILED TO MAINTAIN THEIR BUSES OR BUY NEW ONES. HE DENIED THAT MMM PEOPLE HAD VANDALIZED NEW GOVERNMENT HOUSING, AND CHARGED THAT THE GOVERNMENT'S HOUSING POLICY WAS "NON-EXISTENT."

4. THE SITUATION IN THE PORT HAS BEEN SLOW TO IMPROVE. SEVERAL SHIPS HAVE UNLOADED THEIR CARGOES AT REUNION TO AVOID THE LONG WAITS HERE. ONE SHIP HAS WAITED OUTSIDE THE HARBOR FOR FIVE WEEKS AND ANOTHER FOR SEVEN WEEKS. DELAYS IN
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PORT L 00143 211216Z

RECEIVING RAW MATERIALS HAVE CAUSED AT LEAST TWO INDUSTRIAL ESTABLISHMENTS TO CLOSE DOWN TEMPORARILY AND OTHERS ARE RUNNING BELOW CAPACITY. SOME HAVE RESORTED TO IMPORTING THEIR GOODS BY AIR, IN ORDER TO AVOID DEFAULTING ON DELIVERY CONTRACTS. ONE NEWSPAPER ESTIMATES THAT THE PORT SITUATION HAS ALREADY COST THE COUNTRY A LOSS OF 100 MILLION RUPEES. BY FEBRUARY 17, HOWEVER, STEVEDORE ABSENTEEISM WAS DECLINING AND NEAR-NORMAL ACTIVITY PREVAILED IN THE PORT.

5. AS A POSSIBLE SOLUTION TO THE CRISIS IN THE PUBLIC TRANSPORT INDUSTRY, THE GOVERNMENT IS STUDYING A PLAN TO PERMIT INDIVIDUALS TO EXPLOIT BUS ROUTES WHICH ARE NOW QUASI-MONOPOLIES OF THE VARIOUS BUS COMPANIES. THE LATTER PREDICT A CHAOTIC SITUATION WOULD RESULT, WHICH WOULD FORCE THE INDIVIDUAL PROPRIETORS TO REGROUP THEMSELVES INTO COMPANIES. IT IS PROBABLE, HOWEVER, THAT THERE WOULD BE LESS ABSENTEEISM AMONG OWNER-DRIVERS OF BUSES, AND IT IS ABSENTEEISM THAT HAS LARGELY CAUSED THE BUS SERVICE CRISIS.

6. INFLATION CONTINUES TO WORRY MAURITIANS. LATEST FIGURES ON THE CONSUMER PRICE INDEX INDICATE THAT THERE WAS A 2 PERCENT RISE IN THE COST OF LIVING DURING THE LAST TWO MONTHS OF 1976. THIS BROUGHT THE INFLATION RATE FOR THE YEAR 1976 TO 9 PERCENT WHICH IS HIGH, BUT LOWER THAN A GREAT MANY OTHER SIMILARLY SITUATED COUNTRIES. THE INFLATION RATE IN 1975 WAS ABOUT 18 PERCENT, SO THERE HAS BEEN A DEFINITE IMPROVEMENT. BUT SINCE JANUARY 1 LOCAL MARKET PRICES, PARTICULARLY FOR FOOD, HAVE SHOWN A STEEP RISE, PARTIALLY BECAUSE OF SEASONAL FACTORS.

7. THE GOVERNMENT HAS REFUSED TO RAISE THE PRICE OF BREAD, DESPITE THE INSISTENT DEMANDS OF THE BAKERY PROPRIETORS. THE LATTER HAVE THREATENED ANOTHER LOCK-OUT, WHICH THE GOVERNMENT (CORRECTLY) HAS TERMED CONTRARY TO LAW.

8 SINCE THE FIRST OF THE YEAR THE MAURITIUS STOCK MARKET
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PORT L 00143 211216Z

HAS BEEN IN THE DOLDRUMS, WITH THE USUAL NUMBER OF SELLERS BUT PRACTICALLY NO BUYERS. ON 11 FEBRUARY 22 STOCK ISSUES WERE OFFERED FOR SALE AT NEW LOWS, BUT THERE WAS A BUYER FOR ONLY ONE ISSUE. THE PRESS ATTRIBUTES THE LACK OF INVESTOR CONFIDENCE TO THE POLITICAL CLIMATE (THE STRONG MMM SHOWING IN THE DECEMBER ELECTIONS), THE UNSTABLE ECONOMIC SITUATION, AND AGRICULTURE MINISTER BOOLELL'S STATEMENT ABOUT "THE END OF THE BONANZA" IN THE SUGAR INDUSTRY. REAL ESTATE SEEMS TO HAVE BECOME A BUYER'S MARKET RECENTLY AS WELL, WHICH MAY MEAN THAT WEALTHY MAURITIANS ARE TRYING TO MAKE THEIR ASSETS MORE LIQUID, PERHAPS OUT OF FEAR THAT THE NATIONALIZATION-MINDED MMM MAY COME TO POWER AFTER THE NEXT ELECTIONS.

9. GUY OLLIVRY HAS BEEN REELECTED LEADER OF THE MAURITIAN DEMOCRATIC UNION (UDM).

10. ON HIS RETURN FROM ATTENDING THE ANNIVERSARY CELEBRATIONS IN TANZANIA AND THE OCAM CONFERENCE IN KIGALI, FOREIGN MINISTER WALTER MADE A STATEMENT TO THE PRESS WHICH INCLUDED A PITCH IN FAVOR OF THE "SINGLE PARTY" SYSTEM. THE PRESS TOOK HIM TO BE ADVOCATING SUCH A SYSTEM FOR MAURITIUS. SIR HAROLD SAID THE SINGLE PARTY SYSTEM CONTRIBUTES TO NATIONAL UNITY AND INTEGRATION, PARTICULARLY IN A MULTI-RACIAL SOCIETY. HE CLAIMED THAT THIS SYSTEM RESPECTS THE RULES OF DEMOCRACY, FOR ALTHOUGH ALL CANDIDATES HAVE TO BELONG TO ONE PARTY THE PEOPLE CAN VOTE FOR WHOMEVER THEY WISH. SIR HAROLD'S VIEWS WILL BE SEEN AS NAIVE BY SOME, AS MALICIOUS BY OTHERS, AND AS "SOUR GRAPES" BY MOST (HE WAS DEFEATED IN THE LAST NATIONAL ELECTIONS). AS A PAST ADVOCATE OF A LABOR-MMM COALITION, WALTER WILL INCUR THE DISPLEASURE OF ALL THOSE WHO FEAR THE POSSIBLE COMING-TO-POWER OF THE MMM.

11. A COURT CASE WHICH HAS CAUSED A LOT OF PRIVATE COMMENT WAS DECIDED FEBRUARY 11 WHEN THE TWO PRESIDING MAGISTRATES ACQUITTED MR. SITA RAM SINGHANIA OF A CHARGE OF TRYING TO SMUGGLE IN GEMS VALUED AT ABOUT ONE MILLION RUPEES. SINGHANIA, CONFIDENTIAL

CONFIDENTIAL

PAGE 05 PORT L 00143 211216Z

A MEMBER OF AN EXTREMELY WEALTHY INDIAN FAMILY WHICH OWNS A TEXTILE MILL HERE, ARRIVED DURING INDIRA GANDHI'S OFFICIAL VISIT WITH A SUITCASE FILLED WITH GEMSTONES. HE AT FIRST TOLD CUSTOMS INSPECTORS THEY WERE DESTINED FOR IMPORTANT GOM OFFICIALS, BUT THEN CLAIMED THE SUITCASE DIDN'T BELONG TO HIM. HE HIRED AN ALL-STAR CAST OF DEFENSE ATTORNEYS, INCLUDING A FORMER JUSTICE MINISTER OF INDIA, PMSD LEADER GAETAN DUVAL, AND PORT LOUIS COUNCIL CHAIRMAN MOOLLAN. IN THEIR VERDICT THE JUDGES WERE SCATHING IN DENOUNCING PROSECUTION WITNESSES FOR HAVING "SYSTEMATICALLY" CHANGED THEIR TESTIMONY, WHICH DESTROYED THE CASE AGAINST SINGHANIA. THE JUDGES DID NOT SPECULATE ON WHETHER THE CHANGES RESULTED FROM FEAR OF HOPE OF FUTURE REWARD.

12. IN ANY CASE, DUVAL TOLD THE AMBASSADOR THAT HIS FEE RECEIVED FROM SINGHANIA WAS EQUIVALENT TO WHAT HE HAD EARNED IN FIVE YEARS AS A GOVERNMENT MINISTER, PLUS AN ALL-EXPENSES PAID TWO-WEEK VACATION IN INDIA INCLUDING A PRIVATE PLANE PROVIDED BY THE SINGHANIA FAMILY. DUVAL WOULD NOT COMMENT ON THE VIEW THAT SINGHANIA SPARED NO EXPENSE IN DEFENDING HIMSELF BECAUSE HE NEEDED THE BEST LAWYERS MONEY CAN BUY. DUVAL'S UNCHARACTERISTIC SILENCE WAS PERHAPS DUE TO THE PRESENCE DURING THE CONVERSATION OF ONE OF THE TWO JUDGES WHO HEARD THE CASE, A CLOSE FRIEND OF HIS. DUVAL DID CONFIDE THAT THE GEMS, WHICH WERE AWARDED TO THE GOM BY THE COURT, WERE REALLY WORTH ON THE ORDER OF 7 MILLION RUPEES. TWTWTW.
KEELEY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, POLITICAL SITUATION, POLITICAL SUMMARIES
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PORTL00143
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770060-0813
Format: TEL
From: PORT LOUIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770232/aaaabbyf.tel
Line Count: 209
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0f9e17c5-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 PORT LOUIS 118
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3295848
Secure: OPEN
Status: NATIVE
Subject: MAURITIUS WEEKLY REVIEW - FEBRUARY 17
TAGS: PFOR, PINT, ECON, MP, (BOOLELL, SATCAM)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/0f9e17c5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009